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DOS review completed

GENERAL

1. ITO agreement foreseen in near future--US Representative Wilcox reports from the Havana Conference that he believes a complete agreement on all outstanding issues concerning the International Trade Organization Charter will be reached by the Conference in the very near future. Wilcox declares that the UK is now making a "desperate last minute attempt to extract additional concessions" but that no further compromises will be necessary. He believes that the UK will sign the final act of the Conference, which will authenticate the ITO Charter, "within the next few days."
2. US believes split in WFTU inevitable--The Department of State has informed US Embassy London that it believes a final split in the World Federation of Trade Unions (WFTU) to be inevitable and doubts the value of an attempt to maintain the WFTU. The Department feels that Communist domination of the WFTU makes improbable its continuance as a forum where labor movements could discuss such matters as the European recovery program. The Department would prefer, however, that the initiative for the break-up should not come from the US and that the responsibility be on the Communists.
3. CEEC meeting planned for 15 March--US Ambassador Douglas in London has been informed by a French Foreign Office official that the UK and France have agreed to hold meetings of the Committee on European Economic Cooperation, beginning in Paris on 15 March. Douglas was also told that Foreign Ministers Bevin and Bidault plan to attend the opening meetings. Douglas adds that British officials have confirmed this information.

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EUROPE

4. **FINLAND: Stalin letter under consideration--**US Minister Warren reports the following information concerning the letter President Paasikivi received from Stalin on 23 February: (a) Paasikivi proposed to reply to Stalin that the time is not ripe for a Soviet-Finnish pact, but Foreign Minister Enckell opposed this course on the ground that it is too late to resist the Soviet demand; (b) no action on Paasikivi's draft letter was taken at meetings held on 27 February by the Finnish Cabinet, leading members of the Diet, and all political party groups; (c) no more such meetings are planned until the Diet reconvenes on 2 March; (d) several Cabinet members and Diet members have expressed to Minister Warren the "fervent hope" that the US will give some evidence of support for continued Finnish independence; and (e) the British Minister in Helsinki believes that Foreign Minister Enckell is rapidly slipping in his determination to resist the Soviet demands and that only Paasikivi could effectively stand up against the USSR.

Swedish views on Soviet move in Finland--The Secretary-General of the Swedish Foreign Ministry has expressed to US Ambassador Matthews the view that the USSR desired to act in Finland before free elections were held, disclosing a decline in Communist strength. The Secretary-General described the members of the Finnish Government as "weary and disunited."

(CIA Comment: The reduction of Finland to complete satellite status will have profound effects in all Scandinavian states. In Sweden, it probably will increase the strength of the small group, chiefly high military officers, who consider Swedish "neutrality" unrealistic and favor a more positive foreign policy. It is unlikely, however, that the influence of this group will be sufficient to produce a change in the widely-supported policy of the present government. In Norway, where the trend toward closer cooperation with the western powers has been developing for several months, the events in Finland will undoubtedly produce greater support for this policy.)

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THE AMERICAS

5. **BRITISH HONDURAS:** UK widely publicizes sending of cruiser ... US Ambassador Douglas reports that the dispatch of the cruiser DEVONSHIRE to Belize, British Honduras has been given wide publicity in Great Britain and seems intended "to impress the outside world." Conservative Party leaders plan to criticize the Government for failure to maintain British military strength, thus facilitating recent developments in the Antarctic, the Honduras, and Czechoslovakia.

(CIA Comment: The UK action in sending additional naval forces to Belize is probably designed to: (a) impress the public at home with the Government's resolute defense of British colonial interests; and (b) act as a deterrent to a possible Latin American demand at the Bogota Conference for a reconsideration of the question of European possessions in the Western Hemisphere.)

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